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Cmte 19-SR

MEMORANDUM FOR THE RECORD

SUBJECT: Notes on the 13 May 1987 Meeting of the

STAT

1. The meeting featured a briefing by DD/ONI of the damage [redacted]
[redacted] The briefing can be summarized as
"horrendous."

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2. DD/ONI also alerted the group to an expected US News & World Report
cover story dealing with lax security throughout the Community, with emphasis
on ONI and NIS. Only State remains unscathed in the current understanding of
what is to come. [redacted]

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3. Two additional possible amendments to legislation covering State were
passed out and are attached. They relate to State operation in general, the
Moscow NOB, and Mount Alto. The Senate version sticks the DCI with, in
effect, oversight of performance of SecState in security affairs. Both try to
do something about State attitudes.

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D/CCISCMO/ICS

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Attachments:
a/s

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5/12am dr

TO BE PROPOSED BY SENATORS PELL, Murkowski, Boschwitz
_____, _____, & _____

Section 127 of the Committee Print is amended to read as follows:

SECTION 127: THE NEW SOVIET EMBASSY

Notwithstanding any other provision of law, the Soviet Union shall not be permitted to occupy (including making use of any communication equipment or electronic surveillance equipment) the new Chancery building at its new embassy complex on Mount Alto in the city of Washington, or any other new facility in the Washington, D.C. metropolitan area until the Secretary of State and the Director of Central Intelligence certify to the Speaker of the House of Representatives and the Chairmen of the Senate Committee on Foreign Relations and the Senate Select Committee on Intelligence that there is a new United States Chancery building in Moscow which is secure and suitable for United States embassy operations including operations involving classified information.

At the end of Title I add the following new section:

SECTION 133: EMBASSY SECURITY.

(a) The U.S. Chancery Building in Moscow. Not later than August 31, 1987 the Secretary of State shall prepare and submit in writing to the Chairman of the Senate Committee on Foreign Relations and the Senate Select Committee on Intelligence and to the Speaker of the House of Representatives a detailed and specific report including:

(1) A complete list of options for disposition of the partially constructed U.S. Embassy Chancery building in Moscow that will result in a secure facility, together with the anticipated cost of implementing each option and a comprehensive plan for the implementation of each option;

(2) The recommended option of the Secretary of State for the disposition of the partially constructed Chancery building along with a detailed explanation of the reasons for selecting the recommended option; and

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(3) The feasibility of securing the new residential units in the Moscow Embassy compound, along with the cost of any such program.

(b) Task Force on the Management of Security and Foreign Buildings by the Department of State. (1) The Congress finds that serious deficiencies exist in the State Department's management and construction of buildings overseas. The security function has been plagued by an inability to anticipate threats or to respond to threats. The operations of the Foreign Buildings Office have been characterized by cost overruns, delays, inadequacies of design, deficient construction supervision, and other management flaws.

(2) There is established a Task Force on Management of Security and Foreign Buildings by the Department of State. The Secretary of State shall serve as Chairman of the Task Force and the Director of the Central Intelligence shall serve as Vice-Chairman. Such representatives of other appropriate government agencies as the President may designate shall serve on the Task Force.

(3) Not later than August 31, 1987 the Secretary of State shall submit in writing to the Chairman of the Senate Foreign Relations Committee and the Speaker of the House of Representatives a program to improve the management of the security function and the Foreign Buildings Office so as to correct management deficiencies, to insure better protection of American personnel overseas, to safeguard adequately sensitive national security information, and to achieve efficient construction of embassies. The report accompanying the program shall include a detailed analysis of the organization of the security and embassy construction functions within the Department of State, together with with any recommendations for the reorganization and consolidation of these functions.

(c) Report on the Soviet Diplomatic Enclave at Mount Alto. Not later than August 31, 1987 the Secretary of State in consultation with the Director of the Central Intelligence shall submit in writing to the Chairman of the Senate Foreign Relations Committee, to the Chairman of the Senate Select Committee on Intelligence, and to the Speaker of the House of Representatives, in a suitably classified form, a report on the status of the Soviet diplomatic enclave on Mount Alto in the city of Washington. Such report shall include:

(1) An assessment of whether United States security interests would be better served by vitiating the agreement under which the Soviet Union will occupy the Mount Alto site together with an assessment of the costs and consequences of vitiating the agreement and

(2) An assessment of the benefit to Soviet intelligence collection of the location of the Chancery on Mount Alto

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and of the concomitant threat to sensitive U.S. government communications;

(3) An enumeration of measures that could be taken to thwart Soviet intelligence collection activities from Mount Alto together with the cost of each measure;

(4) A description of the personnel resources, office space, and housing facilities available to the United States in the Soviet Union and to the Soviet Union in the United States, together with an assessment as to whether parity exists and if not the measures to be taken to achieve parity.

(d) Accountability Review Board. (1) The Secretary of State is directed to establish no later than 30 days after the date of enactment an Accountability Review Board as described by Sec. 302 et seq. of the Omnibus Diplomatic Security and Antiterrorism Act of 1986. Said Accountability Review Board shall review all government actions, procedures and policies relative to the United States Embassy in Moscow and the Soviet Embassy in Washington, as called for by law.

(2) Section 301 of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4831) is amended by inserting, "and in any case of serious breach of security involving intelligence activities of a foreign government directed at a United States Government mission abroad," after "mission abroad". At the end of the first sentence of Section 301 insert the following new sentence, "With respect to breaches of security involving intelligence activities, the Secretary of State may delay establishing the Accountability Review Board if he determines that doing so would compromise intelligence sources and methods and promptly so advises the Senate and House Select Committees on Intelligence."

(3) Section 304(a) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4834) is amended by inserting, "or surrounding the serious breach of security involving intelligence activities of a foreign government directed at a United States Government mission abroad (as the case may be)" after "mission abroad".

(e) Certification by the Secretary of State. No funds may be expended for the construction or major renovation of any diplomatic facility that is intended to be secure for the purpose of transmitting, storing, or receiving classified information unless the Secretary of State, with the concurrence of the Director of the Central Intelligence, certifies in writing to the Chairman of the Senate Committee on Foreign Relations and the Speaker of the House of Representatives that the proposed construction project includes adequate safeguards

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for classified information and for the conducting of sensitive government activity.

(f) Periodic Inspections. It is the sense of Congress that the security of all diplomatic facilities and personnel would be significantly enhanced by periodic unannounced security inspections conducted by an appropriate agency of the U.S. Government.

(g) Certification of the Security of Recent Embassy Construction. Not later than December 31, 1987 the Secretary of State and the Director of the Central Intelligence shall certify in writing to the Chairman of the Senate Committee on Foreign Relations and the Speaker of the House of Representatives that all United States foreign missions in the Soviet Union and all Eastern European countries provide (1) adequate protection for classified information and national security related activities, and (2) adequate protection for the personnel working in the diplomatic facility. For any building for which the certification required by this subsection cannot be made, the Secretary of State and the Director of the Central Intelligence shall provide a description of the deficiencies which make such certification impossible.

The Secretary of State shall submit a comparable report by December 31, 1988 on all U.S. foreign missions in countries designated by the Secretary of State and the Director of Central Intelligence as "high threat" posts, including terrorists and intelligence threats.

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HLC

May 12, 1987

100TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. MICA (for himself, Ms. SNOWE, Mr. FASCELL, and Mr. BROOMFIELD) introduced the following bill; which was referred to the Committee on _____

A BILL

To improve security at the United States Embassy in the Soviet Union, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representatives*
- 2 *of the United States of America in Congress assembled,*

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1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the ``Diplomatic Reciprocity and
3 Security Act``.

4 SEC. 2. TABLE OF CONTENTS.

5 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I--SOVIET EMBASSY IN THE UNITED STATES AND UNITED STATES
EMBASSY IN THE SOVIET UNION

Sec. 101. Withdrawal from United States-Soviet Embassy
agreement; prohibition on use of Mount Alto site.

Sec. 102. Recovery of damages incurred as a result of Soviet
intelligence activities directed at the new United
States Embassy in Moscow.

Sec. 103. United States-Soviet reciprocity in matters
relating to Embassies.

Sec. 104. Report on personnel of Soviet state trading
enterprises.

TITLE II--IMPROVING STATE DEPARTMENT PERSONNEL PRACTICES AND
ORGANIZATION TO COUNTER HOSTILE INTELLIGENCE THREATS

Sec. 201. Counterintelligence polygraph screening of
diplomatic security service members.

Sec. 202. Personnel security program for Embassies in high
intelligence threat countries.

Sec. 203. Accountability review boards.

Sec. 204. Prohibition on certain employment at United States
diplomatic and consular missions in Communist
countries.

Sec. 205. Termination of retirement benefits for foreign
national employees engaging in hostile intelligence
activities.

Sec. 206. Report on employment of foreign nationals at
foreign service posts abroad.

Sec. 207. Under Secretary of State for Security,
Communications, Construction, and Missions.

Sec. 208. Assistant Secretary of State for Foreign Missions.

TITLE III--ADDITIONAL MEASURES TO PROTECT AGAINST HOSTILE
INTELLIGENCE THREATS

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- Sec. 301. Improving security of United States diplomatic and consular facilities.
- Sec. 302. Periodic surveys to determine security weaknesses at United States diplomatic and consular posts.
- Sec. 303. Protection from future hostile intelligence activities in the United States.

1 TITLE I--SOVIET EMBASSY IN THE UNITED STATES AND UNITED
2 STATES EMBASSY IN THE SOVIET UNION

3 SEC. 101. WITHDRAWAL FROM UNITED STATES-SOVIET EMBASSY
4 AGREEMENT; PROHIBITION ON USE OF MOUNT ALTO
5 SITE.

6 (a) FINDINGS.--The Congress finds that--

7 (1) the Government of the Union of Soviet Socialist
8 Republics has violated the diplomatic privileges and
9 immunities of the United States Embassy in Moscow by
10 surreptitiously entering the premises of that Embassy to
11 conduct espionage;

12 (2) the Soviet Government's penetration of the United
13 States Embassy constitutes a gross violation of
14 international law and has inflicted grave damage on the
15 national security of the United States;

16 (3) the Soviet Government has also penetrated the new
17 United States Embassy under construction in Moscow,
18 implanting numerous electronic listening devices in its
19 structure;

20 (4) due to actions of the Government of the Union of
21 Soviet Socialist Republics, United States Government

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1 personnel cannot communicate in confidence, as the
2 national security of the United States requires, within
3 the present United States Embassy in Moscow or within the
4 new United States Embassy being constructed in Moscow;

5 (5) the Soviet Government plans to use the new Soviet
6 Embassy site on Mount Alto in Washington, District of
7 Columbia, as a platform to conduct highly sophisticated
8 electronic surveillance of both United States Government
9 communications involving diplomatic, military, and
10 intelligence matters and private communications of United
11 States citizens and businesses;

12 (6) the Soviet Government's electronic surveillance
13 of United States communications damages the national
14 security of the United States;

15 (7) the location of the new Soviet Embassy on Mount
16 Alto is ideal for electronic surveillance;

17 (8) the agreements between the United States and the
18 Union of Soviet Socialist Republics concerning the
19 proposed new locations in Moscow and Washington of the
20 Embassies of those countries incorporate a reservation
21 (implied by the principle, to which both the United
22 States and the Soviet Union subscribe, that the premises
23 of an embassy are inviolable) that a party to the
24 agreements may withdraw from the agreements to the extent
25 the national security interests of the party so require;

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1 and

2 (9) to protect the national security of the United
3 States, the United States must exercise the implied
4 reservation to withdraw from the Embassy agreements
5 unless the threat to the national security posed by
6 adherence to those agreements can be overcome.

7 (b) WITHDRAWAL FROM EMBASSY AGREEMENT.--

8 (1) WITHDRAWAL.--The United States hereby withdraws
9 from the Agreement between the Government of the United
10 States and the Government of the Union of Soviet
11 Socialist Republics on the Reciprocal Allocation for Use
12 Free of Charge of Plots of Land in Moscow and Washington
13 (signed at Moscow, May 16, 1969) and related agreements,
14 notes, and understandings.

15 (2) EFFECTIVE DATE.--Paragraph (1) shall take effect
16 on the date specified by subsection (e), except as
17 provided in subsection (f).

18 (c) NOTIFICATION OF UNAVAILABILITY OF MOUNT ALTO.--The
19 Secretary of State shall, within 5 days after the date of
20 enactment of this Act, notify the Government of the Union of
21 Soviet Socialist Republics that the Mount Alto site will
22 cease to be available to that Government for any purpose as
23 of the date specified by subsection (e), subject to
24 subsection (f).

25 (d) PROHIBITION ON FUTURE USE OF MOUNT ALTO SITE BY

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1 FOREIGN MISSIONS.--If subsection (b)(1) takes effect, the
2 Mount Alto site may not be made available for use thereafter
3 by a foreign mission for any purpose.

4 (e) EFFECTIVE DATE.--The date referred to in subsections
5 (b) and (c) is--

6 (1) the date which is 1 year and 10 days after the
7 date of enactment of this Act; or

8 (2) such earlier date as may be agreed upon by the
9 Government of the United States and the Government of the
10 Union of Soviet Socialist Republics.

11 (f) WAIVER.--

12 (1) PRESIDENTIAL DETERMINATIONS REQUIRED.--The
13 President may waive subsection (b)(1) if he determines
14 that--

15 (A) it is vital to the national security of the
16 United States that the United States not withdraw
17 from the agreement (and related agreements, notes,
18 and understandings) described in subsection (b)(1);

19 (B) steps have been or will be taken that will
20 ensure that the new chancery building for the United
21 States Embassy in Moscow can be safely and securely
22 occupied by the United States and used for its
23 intended purposes; and

24 (C) steps have been or will be taken to
25 eliminate, no later than October 1, 1989, the damage

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1 to the national security of the United States due to
2 electronic surveillance from Soviet facilities on
3 Mount Alto and from other Soviet facilities in the
4 United States.

5 (2) WHEN DETERMINATIONS MAY BE MADE.--The President
6 may not make the determination and waiver permitted by
7 paragraph (1) before the end of the 6-month period
8 beginning on the date of enactment of this Act.

9 (3) REPORT TO CONGRESS.--The waiver permitted by
10 paragraph (1) shall not be effective until the
11 determination and waiver are reported to the Congress.
12 Any such report shall include a detailed justification
13 for each of the determinations and shall specify the
14 steps that have been or will be taken to achieve the
15 requirements of paragraphs (1)(B) and (C).

16 (4) NONDELEGATABILITY.--The President may not
17 delegate the responsibility for making the determination
18 and waiver permitted by paragraph (1).

19 SEC. 102. RECOVERY OF DAMAGES INCURRED AS A RESULT OF SOVIET
20 INTELLIGENCE ACTIVITIES DIRECTED AT THE NEW
21 UNITED STATES EMBASSY IN MOSCOW.

22 It is the sense of the Congress that the arbitration
23 process between the United States and the Union of Soviet
24 Socialist Republics, which is currently under way with
25 respect to damages arising from delays in the construction of

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1 the new United States Embassy in Moscow, should be expanded
2 to include Soviet reimbursement of the full costs incurred by
3 the United States as a result of the intelligence activities
4 of the Soviet Union directed at the new United States Embassy
5 in Moscow.

6 **SEC. 103. UNITED STATES-SOVIET RECIPROCITY IN MATTERS**

7 **RELATING TO EMBASSIES.**

8 (a) **REQUIREMENT FOR RECIPROCITY IN CERTAIN MATTERS.**--The
9 Secretary of State shall exercise the authority granted in
10 title II of the State Department Basic Authorities Act of
11 1956 (relating to foreign missions) to achieve the following
12 objectives by October 1, 1989:

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13 (1) **FINANCE.**--United States diplomatic and consular
14 posts in the Soviet Union not pay more than fair value
15 for goods or services as a result of the Soviet
16 Government's control over Soviet currency valuation and
17 over the pricing of goods and services.

18 (2) **ACCESS TO GOODS AND SERVICES.**--United States
19 diplomatic and consular posts in the Soviet Union have
20 full access to goods and services, including utilities.

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21 (3) **REAL PROPERTY.**--The real property used for office
22 purposes, the real property used for residential
23 purposes, and the real property used for all other
24 purposes by United States diplomatic and consular posts
25 in the Soviet Union is equivalent in terms of quantity

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1 and quality to the real property used for each of those
2 purposes by diplomatic and consular posts of the Soviet
3 mission to the United States. In implementing this
4 paragraph, the Secretary of State--

5 (A) shall require that the Soviet Union close
6 (within 30 days after the date of enactment of this
7 Act) one or more diplomatic or consular offices of
8 the Soviet mission to the United States which, in the
9 aggregate, have a total square footage which is not
10 less than 20 percent of the difference between--

11 (i) the total square footage occupied by the
12 diplomatic and consular offices of the Soviet
13 mission to the United States, and

14 (ii) the total square footage of the offices
15 occupied by United States diplomatic and consular
16 posts in the Soviet Union; and

17 (B) shall not allow the Soviet mission to the
18 United States to occupy any new consulate in the
19 United States until the United States mission in Kiev
20 is occupying secure, permanent facilities.

21 (b) SECRETARY OF THE TREASURY.--The Secretary of the
22 Treasury shall provide to the Secretary of State such
23 assistance with respect to the implementation of paragraph
24 (1) of subsection (a) as the Secretary of State may request.

25 (c) REPORTS TO CONGRESS.--Not later than 60 days after

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1 the date of enactment of this Act and annually thereafter,
2 the Secretary of State shall submit to the Congress a report
3 setting forth the actions taken and planned to be taken in
4 carrying out subsection (a).

5 **SEC. 104. REPORT ON PERSONNEL OF SOVIET STATE TRADING**
6 **ENTERPRISES.**

7 Not later than 60 days after the date of enactment of
8 this Act, the Secretary of State shall submit to the Congress
9 a report discussing whether the number of personnel of Soviet
10 state trading enterprises in the United States should be
11 reduced.

12 **TITLE II--IMPROVING STATE DEPARTMENT PERSONNEL PRACTICES AND**
13 **ORGANIZATION TO COUNTER HOSTILE INTELLIGENCE THREATS**

14 **SEC. 201. COUNTERINTELLIGENCE POLYGRAPH SCREENING OF**
15 **DIPLOMATIC SECURITY SERVICE MEMBERS.**

16 The Secretary of State shall require periodic
17 counterintelligence scope polygraph interviews for members of
18 the Diplomatic Security Service (established pursuant to
19 title II of the Diplomatic Security Act).

20 **SEC. 202. PERSONNEL SECURITY PROGRAM FOR EMBASSIES IN HIGH**
21 **INTELLIGENCE THREAT COUNTRIES.**

22 (a) **SPECIAL SECURITY PROGRAM.**--The Secretary of State
23 shall develop and implement, within three months after the
24 date of enactment of this Act, a special personnel security
25 program for personnel of the Department of State assigned to

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1 United States diplomatic and consular posts in high
2 intelligence threat countries who are responsible for
3 security at those posts and for any individuals performing
4 guard functions at those posts. Such program shall include--

5 (1) selection criteria and screening to ensure
6 suitability for assignment to high intelligence threat
7 countries;

8 (2) counterintelligence awareness and related
9 training; and

10 (3) security reporting and command arrangements
11 designed to counter intelligence threats.

12 (b) REPORT TO CONGRESS.--Not later than 6 months after
13 the date of enactment of this subsection, the Secretary of
14 State shall report to the Congress on the special personnel
15 security program required by subsection (a).

16 (c) DEFINITION.--As used in subsection (a), the term
17 "high intelligence threat country" means--

18 (1) a country listed as a communist country in
19 section 620(f) of the Foreign Assistance Act of 1961; and

20 (2) any other country designated as a high
21 intelligence threat country for purposes of this section
22 by the Secretary of State, the Secretary of Defense, the
23 Director of Central Intelligence, or the Director of the
24 Federal Bureau of Investigation.

25 SEC. 203. ACCOUNTABILITY REVIEW BOARDS.

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1 (a) ESTABLISHMENT OF A BOARD.--Section 301 of the
2 Diplomatic Security Act (22 U.S.C. 4831) is amended by
3 inserting `` , and in any case of a serious breach of security
4 involving intelligence activities of a foreign government
5 directed at a United States Government mission abroad, ``
6 after ``mission abroad``.

7 (b) BOARD FINDINGS.--Section 304(a) of that Act (22
8 U.S.C. 4834(a)) is amended by inserting `` or surrounding the
9 serious breach of security involving intelligence activities
10 of a foreign government directed at a United States
11 Government mission abroad (as the case may be) `` after
12 ``mission abroad``.

13 SEC. 204. PROHIBITION ON CERTAIN EMPLOYMENT AT UNITED STATES
14 DIPLOMATIC AND CONSULAR MISSIONS IN COMMUNIST
15 COUNTRIES.

16 (a) PROHIBITION.--

17 (1) After September 30, 1989, no national of a
18 communist country may be employed as a foreign national
19 employee at United States diplomatic and consular
20 missions in any Communist country.

21 (2) Paragraph (1) does not apply with respect to any
22 foreign national employee who is not permitted access
23 to--

24 (A) United States Embassy or consulate grounds,
25 vehicles, or buildings which are sited in the

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1 compound of the Embassy or consulate (including
2 living quarters); and

3 (B) the residence, wherever located, of the chief
4 of mission or the deputy chief of mission.

5 (b) DEFINITION.--As used in this section, the term
6 ``communist country'' means a country listed in section
7 620(f) of the Foreign Assistance Act of 1961.

8 (c) ADDITIONAL FUNDS FOR HIRING UNITED STATES
9 CITIZENS.--The Congress expresses its willingness to provide
10 additional funds to the Department of State for the expenses
11 of employing United States citizens to replace the
12 individuals dismissed by reason of subsection (a).

13 SEC. 205. TERMINATION OF RETIREMENT BENEFITS FOR FOREIGN
14 NATIONAL EMPLOYEES ENGAGING IN HOSTILE
15 INTELLIGENCE ACTIVITIES.

16 (a) TERMINATION.--The Secretary of State shall exercise
17 the authorities available to him to ensure that the United
18 States does not provide, directly or indirectly, any
19 retirement benefits of any kind to any present or former
20 foreign national employee of a United States diplomatic or
21 consular post who the Secretary reasonably believes engaged
22 in intelligence activities directed against the United
23 States.

24 (b) WAIVER.--The Secretary of State may waive the
25 applicability of subsection (a) on a case-by-case basis with

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1 respect to an employee if he determines that it is vital to
2 the national security of the United States to do so and he
3 reports such waiver in advance to the appropriate committees
4 of the Congress.

5 SEC. 206. REPORT ON EMPLOYMENT OF FOREIGN NATIONALS AT
6 FOREIGN SERVICE POSTS ABROAD.

7 Not later than 6 months after the date of enactment of
8 this Act, the Secretary of State shall submit to the Congress
9 a report discussing the advisability of employing foreign
10 nationals at foreign service posts abroad.

11 SEC. 207. UNDER SECRETARY OF STATE FOR SECURITY,
12 COMMUNICATIONS, CONSTRUCTION, AND MISSIONS.

13 (a) ESTABLISHMENT OF POSITION.--The first section of the
14 Act entitled ``An Act to strengthen and improve the
15 organization and administration of the Department of State,
16 and for other purposes'', approved May 26, 1949 (22 U.S.C.
17 2652), is amended by striking out ``and an Under Secretary of
18 State for Management'' and inserting in lieu thereof ``an
19 Under Secretary of State for Budget, Personnel, and
20 Administration, and an Under Secretary of State for Security,
21 Communications, Construction, and Missions''.

22 (b) RESPONSIBILITIES.--The Under Secretary of State for
23 Security, Communications, Construction, and Missions shall be
24 responsible for--

25 (1) the Bureau of Diplomatic Security (established by

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1 section 104 of the Diplomatic Security Act);

2 (2) the Office of Communications;

3 (3) the Office of Foreign Buildings (established to
4 carry out the Foreign Service Buildings Act, 1926); and

5 (4) the Office of Foreign Missions (established
6 pursuant to section 203 of the State Department Basic
7 Authorities Act of 1956).

8 (c) REORGANIZATION.--

9 (1) PERIOD FOR IMPLEMENTATION.--The Secretary of
10 State shall complete implementation of the reorganization
11 required by this section within 6 months after the date
12 of enactment of this Act, including the transfer of
13 personnel and funds to the Under Secretary of State for
14 Security, Communications, Construction, and Missions.

15 (2) PLAN FOR IMPLEMENTATION.--Not later than 60 days
16 after the date of enactment of this Act, the Secretary of
17 State shall submit a report to the Congress on the steps
18 to be taken in reorganizing the Department of State
19 pursuant to this section.

20 (d) CONFORMING AMENDMENTS.--

21 (1) OFFICE OF FOREIGN MISSIONS.--Section 203(a) of
22 the State Department Basic Authorities Act of 1956 (22
23 U.S.C. 4303(a) is amended in the third sentence by
24 striking out ``an Under Secretary of State'' and
25 inserting in lieu thereof ``the Under Secretary of State

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1 for Security, Communications, Construction, and
2 Missions''.

3 (2) POSITIONS AT EXECUTIVE LEVEL III.--Effective
4 October 1, 1987, section 5314 of title 5, United States
5 Code, is amended by striking out ``Under Secretary of
6 State for Political Affairs and Under Secretary of State
7 for Economic Affairs and an Under Secretary of State for
8 Coordinating Security Assistance Programs and Under
9 Secretary of State for Management.'' and inserting in
10 lieu thereof the following:

11 ``Under Secretaries of State (5).''

12 (e) TRANSITION.--The individual holding the position of
13 Under Secretary of State for Management on the date of
14 enactment of this Act shall assume the duties of the Under
15 Secretary of State for Budget, Personnel, and Administration
16 and shall not be required to be reappointed by reason of the
17 enactment of this section.

18 SEC. 208. ASSISTANT SECRETARY OF STATE FOR FOREIGN MISSIONS.

19 (a) ESTABLISHMENT OF POSITION.--Section 203(a) of the
20 State Department Basic Authorities Act of 1956 (22 U.S.C.
21 4303(a)) is amended in the second sentence by striking out
22 ``a Director,'' and inserting in lieu thereof ``the Assistant
23 Secretary of State for Foreign Missions, who shall be''.

24 (b) CONFORMING AMENDMENTS--

25 (1) AMENDMENTS TO THE FOREIGN MISSIONS ACT.--Title II

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1 of that Act is amended--

2 (A) in section 202 (22 U.S.C. 4302), by striking
3 out paragraph (3), by redesignating paragraphs (1)
4 and (2) as paragraphs (2) and (3), respectively, and
5 by inserting the following new paragraph (1) after
6 the introductory clause:

7 `` (1) `Assistant Secretary' means the Assistant
8 Secretary of State for Foreign Missions;'';

9 (B) in section 203 (22 U.S.C. 4303)--

10 (i) in the third and fifth sentences of
11 subsection (a), by striking out ``Director'' and
12 inserting in lieu thereof ``Assistant
13 Secretary'';

14 (ii) by repealing the fourth sentence of
15 subsection (a);

16 (iii) in subsection (b), by striking out
17 ``Deputy Director of the Office of Foreign
18 Missions'' and inserting in lieu thereof ``Deputy
19 Assistant Secretary of State for Foreign
20 Missions''; and

21 (iv) in subsection (c), by striking out
22 ``Director'' and inserting in lieu thereof
23 ``Assistant Secretary''; and

24 (C) in section 204 (22 U.S.C. 4304), section 204A
25 (22 U.S.C. 4304a), section 205 (22 U.S.C. 4305), and

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1 section 208 (22 U.S.C. 4308), by striking out
2 ``Director`` each place it appears and inserting in
3 lieu thereof ``Assistant Secretary``.

4 (2) NUMBER OF ASSISTANT SECRETARIES.--The first
5 section of the Act entitled ``An Act to strengthen and
6 improve the organization and administration of the
7 Department of State, and for other purposes``, approved
8 May 26, 1949 (22 U.S.C. 2652), is amended by striking out
9 ``fifteen`` and inserting in lieu thereof ``sixteen``.

10 (3) POSITIONS AT EXECUTIVE LEVEL IV.--Effective
11 October 1, 1987, section 5315 of title 5, United States
12 Code, is amended by striking out ``(15)`` following
13 ``Assistant Secretaries of State`` and inserting in lieu
14 thereof ``(16)``.

15 (c) TRANSITION.--The individual holding the position of
16 Director of the Office of Foreign Missions on the date of
17 enactment of this Act shall assume the duties of the
18 Assistant Secretary of State for Foreign Missions and shall
19 not be required to be reappointed by reason of the enactment
20 of this section.

21 TITLE III--ADDITIONAL MEASURES TO PROTECT AGAINST HOSTILE

22 INTELLIGENCE THREATS

23 SEC. 301. IMPROVING SECURITY OF UNITED STATES DIPLOMATIC AND 24 CONSULAR FACILITIES.

25 In addition to funds otherwise available for such

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1 purposes, there are authorized to be appropriated to the
2 Secretary of State \$86,700,000 for fiscal year 1988 and
3 \$90,168,000 for fiscal year 1989 for ``Salaries and
4 Expenses`` to carry out the diplomatic security program,
5 which amounts shall be available only to improve security at
6 United States diplomatic and consular posts.

7 SEC. 302. PERIODIC SURVEYS TO DETERMINE SECURITY WEAKNESSES

8 AT UNITED STATES DIPLOMATIC AND CONSULAR POSTS.

9 (a) SURVEYS.--The Secretary of State shall conduct
10 periodic surveys to determine the weaknesses in the programs,
11 practices, and procedures for protecting classified
12 information at United States diplomatic and consular posts,
13 giving priority attention to posts in Communist countries.
14 Such surveys shall be conducted at least annually with
15 respect to posts in Communist countries and in such other
16 countries as the Secretary may determine. Based on those
17 surveys, the Secretary shall take appropriate corrective
18 action.

19 (b) OTHER AGENCIES.--In carrying out subsection (a), the
20 Secretary of State shall consult with the heads of such other
21 agencies as may be appropriate. The heads of other agencies
22 shall assist the Secretary as necessary in implementing
23 subsection (a).

24 (c) REPORTS TO CONGRESS.--Not later than January 15 each
25 year, the Secretary shall report to the Congress with respect

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1 to the surveys conducted during the previous year pursuant to
2 subsection (a). These reports shall include a description of
3 the actions taken as the result of the surveys and
4 recommendations for such administrative or legislative action
5 as the Secretary deems appropriate.

6 SEC. 303. PROTECTION FROM FUTURE HOSTILE INTELLIGENCE

7 ACTIVITIES IN THE UNITED STATES.

8 Section 205 of the State Department Basic Authorities Act
9 of 1956 (22 U.S.C. 4305) is amended by adding at the end the
10 following:

11 "(d)(1) After the date of enactment of this subsection,
12 real property in the United States may not be acquired (by
13 sale, lease, or other means) by or on behalf of the foreign
14 mission of an unfriendly foreign country if, in the judgment
15 of the Secretary of Defense (after consultation with the
16 Secretary of State), the acquisition of that property might
17 improve the capability of that country to intercept
18 communications involving United States Government diplomatic,
19 military, or intelligence matters.

20 "(2) After the date of enactment of this subsection,
21 real property in the United States may not be acquired (by
22 sale, lease, or other means) by or on behalf of the foreign
23 mission of an unfriendly foreign country if, in the judgment
24 of the Director of the Federal Bureau of Investigation (after
25 consultation with the Secretary of State), the acquisition of

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1 that property might improve the capability of that country to
2 engage in intelligence activities directed against the United
3 States Government (excluding the type of intelligence
4 activities described in paragraph (1)).

5 “(3) The Secretary of State shall inform the Secretary
6 of Defense and the Director of the Federal Bureau of
7 Investigation immediately upon notice being given pursuant to
8 subsection (a) of this section of a proposed acquisition of
9 real property by or on behalf of the foreign mission of an
10 unfriendly foreign country.

11 “(4) As used in this subsection, the term ‘unfriendly
12 foreign country’ means--

13 “(A) any country listed as a Communist country in
14 section 620(f) of the Foreign Assistance Act of 1961;

15 “(B) any country determined by the Secretary of
16 State, for purposes of section 6(j) of the Export
17 Administration Act of 1979, to be a country which has
18 repeatedly provided support for acts of international
19 terrorism; and

20 “(C) any other country designated as an unfriendly
21 foreign country for purposes of this subsection by the
22 Secretary of State, the Secretary of Defense, or the
23 Director of the Federal Bureau of Investigation.”.